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Letter No. 2378

September 1, 1988

**EXPORT FORECAST
UP \$500 MILLION**

U.S. agricultural exports in fiscal 1988 are forecast at \$34 billion and 146 tons, according to the U.S. Department of Agriculture. That's \$500 million and 500,000 tons higher than May's estimate. The increase in value results from larger expected exports of animal products, slightly larger wheat exports under the Export Enhancement Program, and higher corn prices due to the U.S. drought. Compared with 1987, fiscal 1988 exports are expected to be \$6.1 billion higher in value and 16.8 million tons higher in volume. This largely reflect reduced competitor supplies; higher prices for grains, oilseeds and cotton; and increased U.S. export competitiveness enhanced by a lower dollar and Export Enhancement.

FARM INCOME

The net farm income for 1988 is forecast at \$38 to \$43 billion, down from last year's \$46-billion high, according to the U.S. Department of Agriculture. Net farm income is typically much more volatile than net cash income because weather often causes sharp changes in production that lead to swings in inventory values. Based on August 1 conditions, net cash income could be between \$55 and \$60 billion, about equal to last year's record \$57.1 billion. Net cash income in the Southcentral region is expected to increase roughly 10 percent. The Southeast also is expected to do relatively well as its share of corn, wheat, and soybean production rises. Net cash income in the Northeast and the Midwest is expected to remain near 1987 levels.

**U.S. CORN
EXPORTS**

The U.S. corn export forecast by the U.S. Department of Agriculture for 1987/88 was increased to 43.8 million tons, but 1988/89 remained unchanged at 41.9 million tons. Corn shipments and sales for the 1987/88 marketing year totaled 44.9 million tons as of Aug. 11. This is 5.3 million tons higher than at the same time last year. The leading buyers were the European Community, Iran and Mexico.

**EMERGENCY
HAYING
EXTENDED**

The period for emergency haying of acreage enrolled in the Conservation Reserve Program has been extended through September 30, by the U.S. Department of Agriculture. The CRP acreage must be in counties approved for emergency haying and grazing of acreage designated as Acreage Conservation Reserve and Conserving Use Acreage. For further details, contact the local ASCS office.

FEED
ASSISTANCE

The U.S. Department of Agriculture has announced several new emergency livestock feed assistance provisions effective Aug. 26. If a producer suffers a crop loss which would allow benefits under both the emergency livestock feed assistance provisions and the 1988 disaster payment program, the producer may not receive benefits for the same loss from both programs. However, a livestock producer who has a loss of 1988 crop corn production could receive emergency livestock feed assistance based on part of his loss and disaster payments based on the remainder. Producers should check with their local ASCS offices for more information.

U.S. TRADE
SURPLUS UP

The U.S. trade surplus is expected to reach \$13.5 billion, compared to \$7.3 billion in fiscal 1987. The fiscal 1989 export volume may decline as prices are strengthened by drought-reduced supplies of grains and oilseeds. The export value for 1989 may increase as the anticipated decline in volume is offset by higher prices and continued strong exports of high-value products.

LATEST U.S.
WHEAT FORECAST

The U.S. wheat and wheat products export forecast for 1988/89 is 38.1 million metric tons, up 1.4 million tons from the July forecast, according to the U.S. Department of Agriculture. As of August 11, wheat - excluding products - shipments and sale for 1988/89 totaled 13.7 million tons, compared to 14.3 million at the same time a year ago. U.S. shipments and sales have increased 3.2 million tons from the previous month and the leading buyers were China, 1,248,400 tons...India, 472,200 tons...and Iraq, 220,000 tons.

ARGENTINE WHEAT
EXPORTS

Argentina's 1988/89 wheat export forecast has been lowered to 5.6 million tons due to the significant impact of dry weather on the crop. According to the U.S. Department of Agriculture, the crop is now estimated at 8.5 million tons.

EASTERN
EUROPE WHEAT
EXPORTS

Eastern Europe's 1988/89 wheat export estimate 3.1 million tons, since 1984/85, and exports outside of Eastern Europe will likely increase sharply from a year ago. Eastern Europe's 1988/89 imports are projected to be only 2.5 million tons, nearly a million tons less than a year ago and the smallest level in a decade. According to the U.S. Department of Agriculture, the U.S. supplied approximately 45 percent of Eastern Europe's total wheat imports in 1987/88...and 30 percent in 1986/87.

CHICKEN
TESTING

The U.S. Department of Agriculture sent to state agricultural and animal health officials and the poultry industry a voluntary model plan for testing poultry flocks for Salmonella enteritidis, and asked that they implement it to help reduce the presence of the bacteria in table eggs.

CANADA . Canada's 1988/89 durum exports could total around 2 million tons,
DURUM 30 percent below last year's level, but about the same as in
1986/87, according to the U.S. Department of Agriculture.
Although the 1988 crop, currently at 2.0 to 2.2 million tons, is
significantly down from last year's record crop, carryin stocks
could help Canada maintain exports. A two-price system for wheat,
under which the Canadian Wheat Board had maintained a separate and
higher price for domestic human consumption than for exports,
officially ended August 1, 1988. However, the Board will still set a
price for human consumption every 2 to 3 months, while export
price is posted daily.

FROM OUR RADIO AGRICULTURE USA #1631...(Weekly 13 1/2 min documentary) It's
SERVICE versatile, nutritious and inexpensive...It's white, brown, and
short, medium, as well as long. Fifty percent of the world's
population enjoys this staple food. On this edition of
AGRICULTURE USA Brenda Curtis talks with home economist, Julie
Gibson, of the U.S. Rice Council all about the history, traditions
and ways to cook this versatile food called RICE.

AGRITAPE/FARM PROGRAM REPORT #1619...(Weekly reel of news
features) USDA NEWS HIGHLIGHTS; Emergency livestock provisions;
Cotton program changes; New education effort in soil conservation;
Farm machinery sales and the drought.

CONSUMER TIME #1111...(Weekly reel of 2 1/2-3 min features) A
quick course on insurance; No will; Diet and heart disease; Rice -
made in the USA; Family stress/workplace stress.

USDA RADIO NEWS SERVICE...Wed, Sept. 7, Weekly crop and weather;
Fruit and tree nut outlook; Mon, Sept. 11, U.S. crop production;
Soviet grain outlook; World supply demand; Tues, Sept. 13, crop
and weather; World crop and grain production; World oilseed; World
cotton. Dial the USDA National News Line 202-488-8358 or 8359.
All material changed at 5 p.m. ET each working day.

FROM THE NEWS SERVICE: In addition to our normal news lines, we
are offering a daily crop weather update which is changed Monday
through Friday at 9 A.M. Eastern Time. The number for this report
is 202-447-2545.

TELEVISION SERVICE program, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and
SATELLITE NEWS are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET....Transponder 12D

Saturdays....A BETTER WAY, 10:00-10:30 a.m. ET.....Transponder 10D
ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET.....Transponder 10D
UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET.....Transponder 10D

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D
REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET....Transponder 12D
UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel, SATCOM 3R, Transponder 2,
Audio 6.8 on Thursday at 10:30 a.m. ET.

OFFMIKE

Hot weather in August set several records in the U.S. but Bob Bosold (WAXX Eau Claire, WI) knows what to do about it. He took the WAXX Farm Tour to Alaska. Says the weather was perfect, hottest it got all week was 66 degrees. Bob also announces creation of Central Ag News Network (CANN) of Wisconsin. Air date is October 10. In addition to his WAXX duties, Bob will serve as CANN Farm Director.

Wheat planting is now underway in Oklahoma. Ron Hays (Oklahoma Agrinet, Oklahoma City, OK) says good moisture exists in the western portion, a little drier in the eastern sections. He notes that the beef referendum was good for business.

Farm Broadcaster history was discussed when John C. Baker (Author, retired USDA) called recently. His book, FARM BROADCASTING, THE FIRST SIXTY YEARS, has a large section

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devoted to each state. Interesting, worthwhile reading. Pastel eggs were on the mind of Will McCracken (KLJB-TV, Davenport IO) in response to a previous item in this column by Margaret Desatnik (USDA Radio & TV). Says aracuna chickens, that lay such eggs, have additional virtues; cholestrol-free. He interviewed an Aracuna producer who says the eggs should be encouraged in the interests of national health.

Everyone raise your right hand who noticed the typo in last month's column regarding dates of the NAFB national convention in Kansas City, MO. Everyone else take a pen and cross out dates given and write in the correct ones: November 10-13, 1988. It'll keep your files from leading you astray, having you greeting friends leaving as your are arriving. Somehow I had added 3 days. Sorry. Will Pemble (ARS Research Report) called first.

Vic Powell
VIC POWELL, Chief, Radio and Television Division.